

**Testimony of the International Union of Operating Engineers
Before the Planning and Development Committee
February 23, 2009**

The International Union of Operating Engineers Local 478 is here today to testify against the many bills to restrict the ability of the legislature to establish rules and regulations on local governments. We feel that this "save us from ourselves" attitude can lead to undesirable outcomes. We have just seen one such scenario play itself out in California with their recent budget vote. The tyranny of the minority, where a minority party controls the entire process because of the need for a two thirds vote, has never been more apparent than in the last minute negotiating that led to one California legislator being promised the world for his vote.

The other thing we would like to point out is that most mandates have a reason for being enacted. States, towns and cities do not always see the full necessity to regulate their behavior if it will raise their costs and not directly benefit their residents. The residents of Pittsburg, New Hampshire, where the Connecticut River starts, have little need to regulate what they pump into the river. It leaves the area, and there is no one upstream that will pollute their water. The U.S. Environmental Protection Agency takes on that role for the greater good of the people in Enfield Connecticut, placing an "unfunded mandate" that I am sure everyone in this room agrees with. Binding Arbitration is in place so negotiations can take place in an atmosphere of mutual power sharing since public employee strikes are illegal. Town government is not likely to see that end as a necessity. I am here to talk in more detail about a mandate that is in place to maintain local area standards against the importation of low wage workers from other regions to the detriment of local workers. That mandate would be prevailing wage.

Opponents of mandates say prevailing wage laws significantly increase public construction costs—often by 25% or more. John Weischel, Town Manager of Southington, in testimony before the Connecticut Legislature, claimed that Connecticut could save upward of 30% on total public construction costs by implementing a moratorium on prevailing wage requirements. Conceptually, these are doubtful claims. Labor costs as a percent of total costs (including benefits and payroll taxes) in Connecticut are, on average, only about 28% of total construction costs. So if you are going to save 30% on total costs by eliminating prevailing wage laws, then everyone would have to work for free.

Prevailing wage laws also discourage safety violations, under-the-table cash payments to workers, misclassification of workers to avoid Workmen's Compensation and Federal, State, and Local taxes, and other bogus subcontracting strategies. Because they know OSHA requirements, skilled workers become the first line of defense in OSHA enforcement. Prevailing wage certified payrolls create an atmosphere of regulation that discourages payroll scams and encourages the reporting of illegal behavior. Since April of last year the Connecticut Department of Labor has issued over 150 stop work orders to contractors for misclassifying employees and not paying Workmen's Compensation. Most of those contractors and the workers on their jobsites were from out of state, according to the DOL. Nationally, states without prevailing wage laws systematically have more bogus subcontractors like those. Prevailing wage laws create an atmosphere of lawfulness on construction work sites. Black market behavior declines. Payroll taxes are paid. OSHA rules are followed more closely. And public bidding process stops rewarding cheaters.

Weakening the prevailing wage law, especially at this time, is extremely shortsighted public policy. Weakening the prevailing wage law would:

- exacerbate the State's growing healthcare coverage crisis, leaving thousands more Connecticut citizens uninsured and posing even more burden on the State's health care system
- contribute to the growing national concern regarding future pension and retirement coverage for America's aging population;
- threaten to reverse the gains made in worker safety over the last 25 years;
- threaten to compromise the quality of workmanship, productivity, and return on investment for federal, state, and local construction projects in Connecticut;
- jeopardize the future of training and apprentice programs, which are critical to contractors' seeking skilled workers, who have the experience to complete a quality job, on time and on budget.

There are undoubtedly some mandates that serve less of a purpose than others. There are some mandates that can be accomplished by self regulation of the practices of local governments and businesses. I do not, however, believe that local governments and businesses will always, or even most of the time, go against their own self interests and those of the people that vote them into office. That is why mandates are needed. So the air we breathe will be cleaner. So lead paint will not be where our children can ingest it. So our water will be drinkable. So jobs with health care, pensions, and wages that local residents can live on will be available in

the construction industry. If you feel that a mandate is bad, a compelling argument should be able to convince fifty percent plus one of your colleagues to vote no. If you do not believe in unfunded mandates, then fund them. You have the power to do that also. Those two things will accomplish the same thing all of these proposed laws will without enacting legislation that will make it harder, not cheaper or easier, for government to do its business which is to be a watchdog for the people, not of the people.

Dodge Report

Dodge #09-400643 - 4

Report Date: 2/ 6/2009 Last Date: 1/30/2009 First Date : 1/ 6/2009

BIDDING

Type of Work: Alterations/Renovations

Project Estimate: H

Bid Date: 2/17/2009

Shelton (CT) Wal-Mart Supercenter #2163-112 (Remodel) (WM2163)

(A) EMS

(B) Refrigeration

Shelton, CT (Fairfield Co.) 465 Bridgeport Ave, 06484-4751

Status:

Revised bidders - GC Bids (by invitation only) to Owner February 17at 12 PM (CST)

Target Start Date: 04/2009

Target Completion Date: 07/2009

Method of Contracting: Invited to Bid Competitively

Owner

Wal-Mart Stores Inc. C/O Construction Dept #8702. Ashli Amos, Dept 8702. 2001 SE 10th St, Bentonville, AR 72712-6489 USA (417-883-6600, Fax: 866-730-6151)

Architect/Structural Engineer/Mechanical Engineer/Electrical Engineer

Boice Raidl Rhea Architects. Boyd Rau, Contact. 6700 Antioch Rd Ste 300, Merriam, KS 66204-1200 USA (913-262-9095, Fax: 913-262-9044)

Notes: crhea@brrarch.com

Previously Reported Bidders on GC

Aberthaw Construction Co.. Dave Hutchinson. 672 Suffolk St Ste 200, Lowell, MA 01854-3608 USA (978-654-4500, Fax: 978-654-4249)

Callahan Inc. Ian Carpenter, Chief Estimator. 80 First St, Bridgewater, MA 02324-1054 USA (508-279-0012, Fax: 508-279-0032)

EMJ Corporation/New England. Chet Wojcik, Estimator. 800 South St Ste 370, (Watermill Center), Waltham, MA 02453-1478 USA (781-891-0101, Fax: 781-891-5559)

Pyramid Contracting Inc. 31 Humbert St, North Providence, RI 02911-2721 USA (401-349-0799, Fax: 401-349-0804)

R L Spencer. Richard Bruno. 8051 Cazenovia Rd Ste B, Ste B, Manlius, NY 13104-2009 USA (315-682-7734, Fax: 315-682-9341)

Zlotnick Construction Inc.. 161 Storrs Road, Mansfield, CT 06250 USA (860-456-3221, Fax: 860-456-3981)

(A) Previously Reported Bidders

Pettus Mechanical. Tony Robertson. 600 Ford Rd, Muscle Shoals, AL 35661-1112 USA (256-389-8181)

RS Services, Inc. 7806 N Highway 81, Duncan, OK 73533-8795 USA (580-255-6800)

Weston Technology. 9 Lincoln Rd, Holderness, NH 03245-5114 USA (603-759-6060, Fax: 603-536-1503)

(B) Previously Reported Bidders

AAA Refrigeration Services Inc. 1804 Nereid Ave, Bronx, NY 10466-1224 USA (718-324-2231)

ABC Refrigeration & Air Conditioning Inc. 6619 Joy Rd, East Syracuse, NY 13057-1107 USA (315-455-7083, Fax: 315-455-5924)

Plans From:

Plans on File: Hartford, CT (47)

Plans on SCAN: 90400643

Proposed Contracting Method: Invited to Bid Competitively

Construction Details:

Additional Features: Interior Renovations - Cast in place concrete - Masonry mortar - Structural steel - Cold formed metal framing - Metal Fabrications - Plastic materials - finish carpentry - Architectural woodwork - Building insulation - Sheet metal flashing and trim - Fiber fireproofing - firestopping - Joint seals - Steel doors - Overhead doors - Coiling doors - Flexible traffic doors - Door hardware - Glazing - Gypsum Board - Ceramic tile - Quarry tile - Acoustical Paneling - Resilient flooring - Resilient base & accessories - Carpet - Paint - Toilet compartments & accessories - Wall & corner guards - Signage - Food service equipment -Fire Protection - Division 15 - Division 16

February 16, 2009

Copyright ©1995-2009 The McGraw-Hill Companies Service is only for internal use by subscriber pursuant to contract